



**Massachusetts Bay  
Transportation Authority**

# Local 589 Collective Bargaining Contract Authorization

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Chief Workforce Officer

August 2023

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# Bargaining History



# 2021 Bargaining Cycle

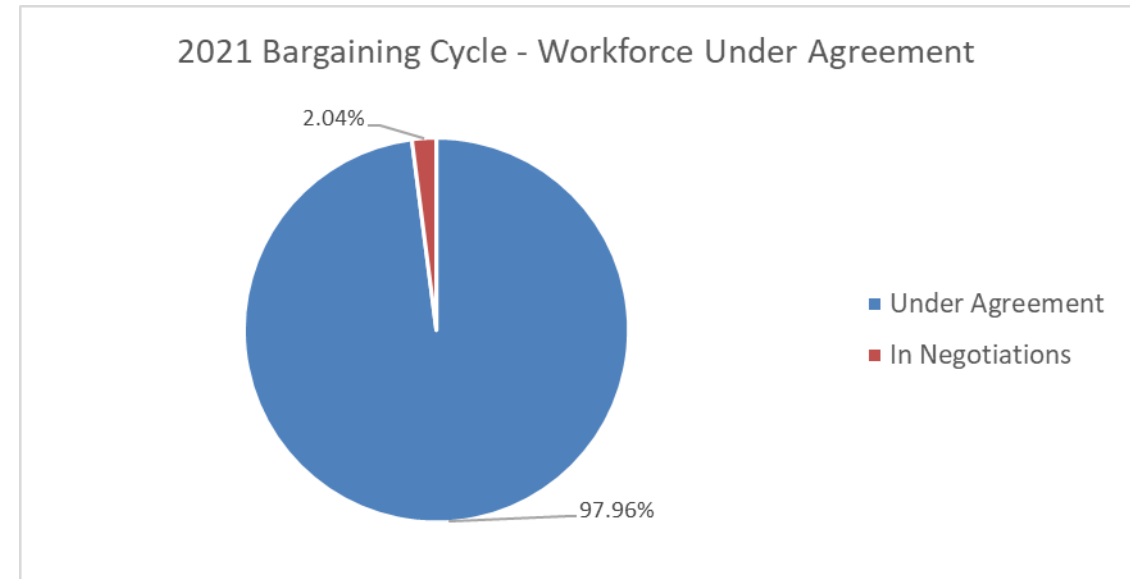
## Local 589 Pattern – 2021-23 Cycle

The terms of the Local 589 Agreement established the fiscal parameters for the rest of the MBTA Unions. Collective bargaining was ratified by Union member and approved by the Authority's Board of Directors in December 2021. Terms included:

- 2-Year Contract Duration, through June 30, 2023
- 5% Wage increases
- One-time Pandemic Pay of up to \$2,000
- Juneteenth National Independence Day Recognition
- Ability to provide a hiring bonus at the Authority's discretion

## Status of Union Contracts

Since the ratification of the Local 589 agreement, the Authority has implemented same or similar agreements with 24 additional Unions, bringing **97.96% of the affiliated workforce under agreement before the end of the contract period**. A similar agreement with Local 104 was ratified and approved in July 2023.

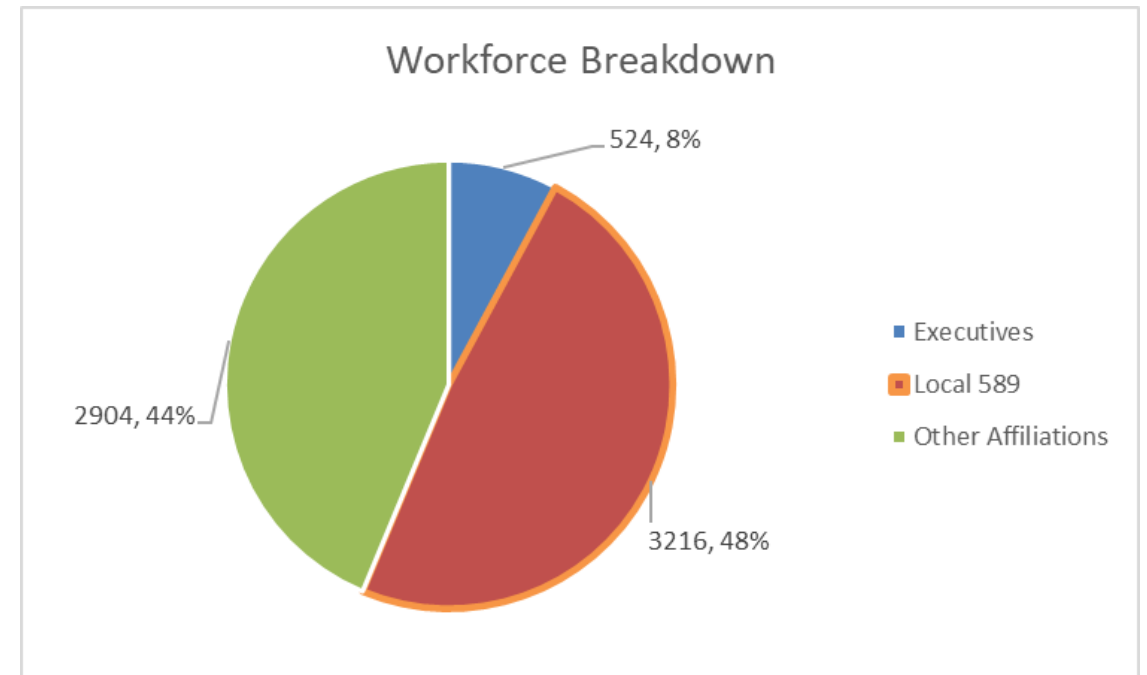


# 2023 Bargaining Cycle

## Negotiation Timeline

As the terms of the Agreement with Local 589 establish the fiscal parameters for the rest of the MBTA Unions, bargaining began in January 2023 in anticipation of their prior contract's expiration on June 30, 2023:

- January 2023: Initial Proposals Exchanged
- February - April 2023: Preliminary Discussions
- May 2023: Active Negotiations
- June - July 2023: Final Negotiations
- July 2023: Tentative Agreement reached
- July 30, 2023: Union Ratified Tentative Agreement
- August 3, 2023: Board of Directors Vote



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# Bargaining Unit Summary



# Bargaining Unit Summary

## Local 589 Classification Summary

Local 589, which represents 52.5% of the Authority’s affiliated workforce, is made up of Bus Operators, Light/Heavy Rail Motorpersons, Repairers, Trackpersons, and more.

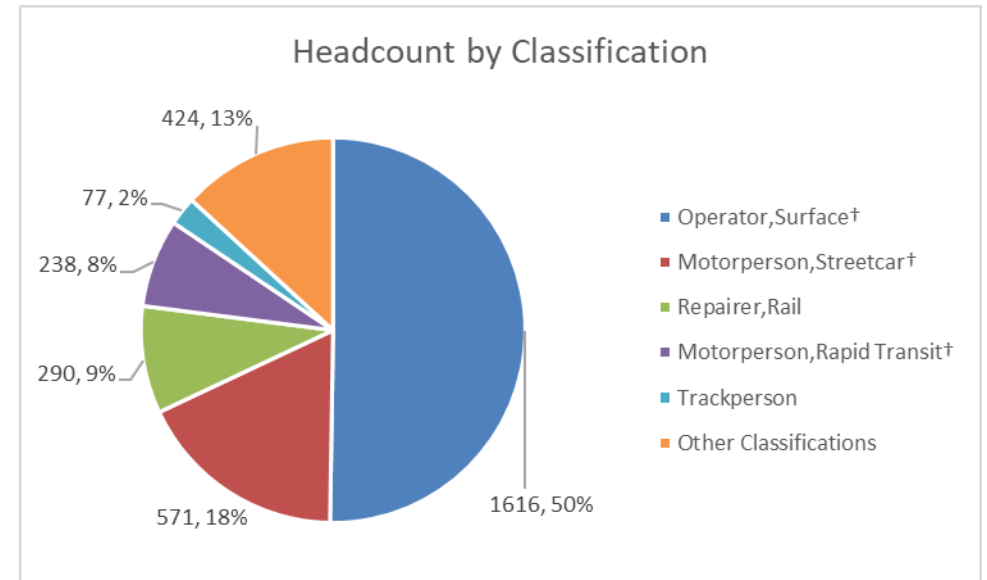
Top Classifications	Headcount
Operator, Surface†	1616
Motorperson, Streetcar†	571
Repairer, Rail	290
Motorperson, Rapid Transit†	238
Trackperson	76
Other Classifications	425
<b>Total</b>	<b>3216</b>

## Average Wage

The average salary for a Bargaining Unit member is \$75,290

Top Classifications	Average Salary
Operator, Surface†	\$ 73,599.00
Motorperson, Streetcar†	\$ 66,181.00
Repairer, Rail	\$ 94,971.00
Motorperson, Rapid Transit†	\$ 68,318.00
Trackperson	\$ 84,813.00
Other Classifications	\$ 83,216.00
<b>Total</b>	<b>\$ 75,290.00</b>

## Breakdown of Bargaining Unit



†Includes Headcount from Part-Time and Training positions



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# Tentative Agreement





# Tentative Agreement Summary

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## **Local 589 Tentative Agreement**

The tentative agreement was reached and later ratified by the Union in July 2023, with terms including:

- Four-Year Contract Duration, with 18% in increased wages over the contract
- Retirement Eligible Retention Incentive
- Establishes a Longevity Incentive for existing employees
- Increased Pay Progression for Bus Operators, Light & Heavy Rail Motorpersons
- Expansion of Sign-On Bonus Program to additional classifications
- Extension of Vision/Dental coverage to PT employees via the Health & Welfare Fund
- Ten (10) Days of Paid Parental Leave
- Night Differential for Bus/Rail Dispatchers



# Provisions Benefiting Retention & Recruitment

- General Wage Increases totaling 18.0% over the life of the contract
- Retirement Eligible Retention Incentive
  - 10% pensionable bonus for retirement eligible employment
  - Requires Employees eligible for retirement before end of CY24 to stay with the Authority until at least November 1, 2024
- Longevity Incentives for Existing Employees (equity wage pool of 1% of bargaining unit payroll)
  - Cumulative wage boosts to employees hitting career anniversaries
  - Paired with new pension plan, this incentivizes employees to remain with the Authority after vesting at 10 years

Wage Increases	
Effective Date	% Increase
July 2023	7.0%
July 2024	4.0%
July 2025	3.5%
July 2026	3.5%
<b>Total</b>	<b>18.0%</b>

Longevity Incentive		
Group	Increment	% Total
10	0.75%	0.75%
15	1.00%	1.75%
20	1.50%	3.25%
25	2.25%	5.50%



# Provisions Benefiting Recruitment & Retention

- Improved Pay Progression for Bus Operators, Light Rail and Heavy Rail Motorpersons new hires
  - Brings Entry Rate (Step 1) Pay above \$30.00/hr
  - See appendix for more details
- Expansion of the Hiring Bonus to all classifications
- Two-Year Agreement regarding Track Laborer Hiring
  - Changed from a 50%-50% internal/external hiring split, to a 25%-75% split
- Expansion of H&W Fund Dental/Vision care to Part-Time Employees
- Expansion of the “Immediate Family” definition for Bereavement Leave to include domestic partners, siblings-in-law, etc.
- Addition of 10 Paid Days of Parental Leave to the contract

Revised Progression		
Step	Current Progression	New Progression
Step 1	55%	70%
Step 2	60%	75%
Step 3	65%	85%
Step 4	75%	90%
Step 5	100%	100%

New Entry Step Rates			
Classification	Step	Current Rate	Year 1 Rate
Bus Operator	Step 1	\$ 22.21	\$ 30.25
Streetcar Motorperson	Step 1	\$ 22.43	\$ 30.55
Motorperson	Step 1	\$ 23.11	\$ 31.47
Yard Motorperson	Step 1	\$ 22.21	\$ 30.25



# Provisions Benefiting Operations

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- Removal of Diversion LOU
  - Will allow for greater flexibility for Operations when diversions are needed
- Night Differential for Bus/Rail Dispatchers
  - Incentivizes Senior employees to pick 3rd shift hours
- Welding Differential
  - Incentive to MOW employees to continue performing welding work to utilize their additional skillsets
- Agreement on establishing a Pilot Program for true Part-Time (20hr/wk) Operators
  - Full terms still to be negotiated with Local 589



# Provisions Benefiting Operations

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- Reduction in Drop-back Rights from six (6) months to three (3) months
  - Will allow us to maintain employees in positions after application/bid, rather than falling back to previous role
- Increase in Holiday Pay to 1.5x on Thanksgiving and Christmas
  - Encourages employees to work and be rewarded for working on these holidays
- Split Maintenance Clerks into two distinct classifications
  - Allows the Maintenance Control Center to better identify employees
- Workforce Modernization efforts
  - Standardizing vacation pick across organization
  - Moving delay time to electronic basis from paper



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# Contract Cost Estimates



# Contract Cost Summary

Contract Increase	Base Wages	Annual Cost	Longevity (1% Payroll)	Retention Bonus	Total Contract Cost
Base Wages†	\$ 251,849,125.32				
Year 1 (7.0%)	\$ 269,479,995.20	\$ 17,630,869.88			
Year 2 (4.0%)	\$ 280,268,378.00	\$ 10,788,382.80			
Year 3 (3.5%)	\$ 290,075,453.20	\$ 9,807,075.20			
Year 4 (3.5%)	\$ 300,228,292.00	\$ 10,152,838.80			
<b>Total Cost</b>		\$ 48,379,166.68	\$ 2,504,528.00	\$ 4,276,998.44	\$ <b>55,160,693.12</b>

†Assumes cost of new pay progression for Bus Operators, Light/Heavy Rail Motorpersons



# Cost Estimates

## Revised Pay Progression

In order to ensure we are both attracting and retaining talent, a main area of discussion was the existing pay progression for new hires in key classifications. By changing our progression, we will remain competitive for valued talent amongst both private and public sector employers seeking similar talent.

Revised Progression		
Step	Current Progression	New Progression
Step 1	55%	70%
Step 2	60%	75%
Step 3	65%	85%
Step 4	75%	90%
Step 5	100%	100%

See appendix for individual classification wage progressions.

Position	Current Progression	Revised Progression	Difference
Heavy Rail Motorperson	\$ 4,894,063.20	\$ 6,368,845.60	\$ 1,474,782.40
Yard Motorperson	\$ 1,365,000.00	\$ 1,848,600.00	\$ 483,600.00
Light Rail Motorperson	\$ 10,531,627.60	\$ 13,182,514.80	\$ 2,650,887.20
Bus Operator	\$ 24,168,970.80	\$ 31,572,366.80	\$ 7,403,396.00
<b>Total Immediate Cost</b>			<b>\$ 12,012,665.60</b>





# Cost Estimates

## Longevity Incentive Cost

Like the Commonwealth’s recent agreements, we looked to create an equity pool. For Local 589, a Longevity Incentive program was agreed to, equating to an equity pool equivalent to 1% of Local 589 Annual Payroll

Group	Headcount	Longevity Increment	% Total	Cost
10 Years	667	0.75%	0.75%	\$ 435,552.00
15 Years	430	1.00%	1.75%	\$ 647,337.60
20 Years	298	1.50%	3.25%	\$ 826,196.80
25 Years	126	2.25%	5.50%	\$ 595,441.60
<b>Total</b>				<b>\$ 2,504,528.00</b>

## Retention Bonus

Based on June 2023 data, approximately 461 members of Local 589 will be eligible for retirement before the end of CY2024. To assist in retaining our skilled workforce, a 10%, pensionable bonus program will be initiated.

Retirement Eligible Headcount	10% Bonus
461	\$ 4,276,998



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# Contract Authorization



# Vote Language

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## IT IS VOTED:

That the General Manager is hereby authorized to enter into a Collective Bargaining Agreement with the Carmen's Union – Local 589 for the term from July 1, 2023 to June 30, 2027 and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Bay Transportation Authority to effectuate this Agreement.



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# Appendix



# New Bus (Surface) Operator Wage Progression

Bus Operator						
Hourly Rates	Current Rate	Progression Change	July 2023	July 2024	July 2025	July 2026
% increase			7.0%	4.0%	3.5%	3.5%
Step 1	\$ 22.21	\$ 28.27	\$ 30.25	\$ 31.46	\$ 32.56	\$ 33.70
Step 2	\$ 24.23	\$ 30.29	\$ 32.41	\$ 33.71	\$ 34.89	\$ 36.11
Step 3	\$ 26.25	\$ 34.33	\$ 36.73	\$ 38.20	\$ 39.54	\$ 40.92
Step 4	\$ 30.29	\$ 36.35	\$ 38.89	\$ 40.45	\$ 41.87	\$ 43.34
Step 5	\$ 40.39	\$ 40.39	\$ 43.22	\$ 44.95	\$ 46.52	\$ 48.15



# New Light Rail (Streetcar) Motorperson Wage Progression

Streetcar Motorperson						
Hourly Rates	Current Rate	Progression Change	July 2023	July 2024	July 2025	July 2026
% increase			7.0%	4.0%	3.5%	3.5%
Step 1	\$ 22.43	\$ 28.55	\$ 30.55	\$ 31.77	\$ 32.88	\$ 34.03
Step 2	\$ 24.47	\$ 30.29	\$ 32.41	\$ 33.71	\$ 34.89	\$ 36.11
Step 3	\$ 26.51	\$ 34.33	\$ 36.73	\$ 38.20	\$ 39.54	\$ 40.92
Step 4	\$ 30.59	\$ 36.35	\$ 38.89	\$ 40.45	\$ 41.87	\$ 43.34
Step 5	\$ 40.78	\$ 40.78	\$ 43.63	\$ 45.38	\$ 46.97	\$ 48.61



# New Heavy Rail Motorperson Wage Progression

Heavy Rail Motorperson						
Hourly Rates	Current Rate	Progression Change	July 2023	July 2024	July 2025	July 2026
% increase			7.0%	4.0%	3.5%	3.5%
Step 1	\$ 23.11	\$ 29.41	\$ 31.47	\$ 32.73	\$ 33.88	\$ 35.07
Step 2	\$ 25.21	\$ 30.29	\$ 32.41	\$ 33.71	\$ 34.89	\$ 36.11
Step 3	\$ 27.31	\$ 34.33	\$ 36.73	\$ 38.20	\$ 39.54	\$ 40.92
Step 4	\$ 31.51	\$ 36.35	\$ 38.89	\$ 40.45	\$ 41.87	\$ 43.34
Step 5	\$ 42.01	\$ 42.01	\$ 44.95	\$ 46.75	\$ 48.39	\$ 50.08



# New Yard Motorperson Wage Progression

Yard Motorperson						
Hourly Rates	Current Rate	Progression Change	July 2023	July 2024	July 2025	July 2026
% increase			7.0%	4.0%	3.5%	3.5%
Step 1	\$ 22.21	\$ 28.27	\$ 30.25	\$ 31.46	\$ 32.56	\$ 33.70
Step 2	\$ 24.23	\$ 30.29	\$ 32.41	\$ 33.71	\$ 34.89	\$ 36.11
Step 3	\$ 26.25	\$ 34.33	\$ 36.73	\$ 38.20	\$ 39.54	\$ 40.92
Step 4	\$ 30.29	\$ 36.35	\$ 38.89	\$ 40.45	\$ 41.87	\$ 43.34
Step 5	\$ 40.39	\$ 40.39	\$ 43.22	\$ 44.95	\$ 46.52	\$ 48.15

